language would exclude several qualified lenders who have previously provided financing under the Rural Electrification Act. These institutions include the Cooperative Finance Corporation, the CFC, and other lenders that have the financial strength, the expertise, and the ability to participate in this program for rural citizens. These institutions have had years of experience. They have had a strong record in lending to rural and electric cooperatives.

I urge my colleagues to approve the Johnson-Thomas bipartisan amendment, of which I am a cosponsor, to allow qualified lenders with experience, expertise, and a strong reputation in these types of programs, to participate in the funding subject to approval. The cooperatives use lenders such as CFC because it means lower interest rates, resulting in a more affordable and workable project.

Again, I don't want to say I am favoring cooperatives or any one over another providing local TV in rural areas. I favor any institution and any technology that would be willing to provide local service to most customers in unserved areas; however, without the Johnson-Thomas amendment, we are effectively, legislatively shutting out a potential participant interested in extending local TV to rural America. They might win, they might not, but why should we shut them out of this process.

I would also like to mention Senator DORGAN's Rural Broadband Enhancement Act, introduced yesterday—again of which I am a cosponsor. This important legislation would help ensure that rural and small town America are not left behind by the revolution taking place in the technology industry that I mentioned earlier. The Dorgan bill would authorize $3 billion for a revolving loan fund over 5 years to provide capital for low-interest loans to finance construction of the needed broadband infrastructure. I am an original cosponsor of this bill because we cannot sit around waiting for this important technology to come to rural and small town America on its own. We know from past experience that we need to help make it happen. I believe the Dorgan bill will provide the incentives for companies to expand beyond their urban markets.

The Rural Broadband Enhancement Act and the Rural Loan Guarantee—LOCAL TV bill that is being considered on the floor today, are sorely needed in rural America. They both are akin to what happened in the 1930s with the Rural Electrification Act when we started to electrify rural America. I at one time did some research on that. I read the Senate debates when the Senate was debating whether or not to pass the Rural Electrification Act to provide the long-term, low-interest loans through cooperatives to build rural electric lines to families such as mine in rural Iowa.

At that time there was more than one Senator who got up and said this is a free market. If private companies do not want to go out there and build these electric lines to rural America, that is the marketplace. If people living in rural America don't like it there because they don't have electricity, they can move to the cities.

Fortunately, those voices were in the minority. The majority recognized that because of the sparse population in rural America, it was going to cost a little more for the initial installing of those rural electrification lines. What happened after that, of course, was because of the electrification of rural America we saw new schools go up. We saw new factories and plants go up to buttress the farm economy in our rural areas. We saw colleges being built.

So all of rural America expanded and became financially more sound because of the investment we made up front in rural electrification. We face that same kind of frontier right now both in broadband access and also in access to local television broadcasting.

That is why I feel so strongly that these are synergistic. The Dorgan bill introduced yesterday for broadband access and the Johnson-Thomas amendment which is before the body will provide the same kind of long-term, low-interest loans that could be made available through cooperatives and through other institutions to provide for a better possibility that we will get direct, local-to-local satellite broadcasting in rural America.

I hope the Senate will review this history. I hope the majority of this body will support the Johnson-Thomas bipartisan amendment so that rural America can have the same kind of satellite dish reception that we get in rural Virginia 12 miles from here. We can get on our satellite dish in our home ABC, NBC, CBS, Fox, all local from Washington, DC. It costs about four or five bucks a month. I believe people all over rural Iowa and rural Kansas would be willing to pay four or five bucks a month to get that kind of local television service from their local stations' satellite so they can know when tornadoes are approaching, bad weather, when schools are closed, and other local information they need which they otherwise do not get.

I urge adoption of the Johnson-Thomas amendment. I yield the floor.

The PRESIDING OFFICER. The distinguished Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I ask unanimous consent to go into morning business for 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

MINIMUM WAGE AMENDMENT

Mr. KENNEDY. Mr. President, in morning business, I send an amendment to the desk to S. 2285.

The PRESIDING OFFICER. The amendment will be received and numbered.

Mr. KENNEDY. Mr. President, soon the Senate will have an opportunity to consider legislation to lower the Federal gasoline tax. The amendment I submit intends to at least consider on that particular measure an increase in the minimum wage in two phases—50 cents this year and 50 cents next year.

If the idea of repealing the gasoline tax is to provide some relief for hard-working Americans, it seems to me the best way we can provide some relief to the 11 million Americans who are earning the minimum wage is to provide a modest increase—50 cents this year and 50 cents next year—so they have less of an adverse impact, whether they are paying for gas to go to work at the present time or otherwise dealing with increased costs with which they are faced every single day.

I am mindful of some of the recent reports about whether this gasoline reduction will have much of an impact, in any event, for consumers and working families in this country. All one has to do is read what a Republican leader in the House of Representatives said about this particular issue when he pointed out in the New York Times—this is J.C. Watts:

> If that were not chilling enough to Republicans eager to maintain their tenuous control of the House this fall, other party leaders voiced skepticism over the repeal's impact on consumers.
>
> "I don't know if the tax has any effect on fuel costs," says Rep. J.C. Watts. "Supply and demand is driving prices right now."

That is an interesting and, I think, a pretty accurate statement. As a matter of fact, included in the fundamental legislation is a study as to whether lowering the cost of gasoline will have any positive impact on consumers.

On Wednesday, March 15, in the New York Times, there was a very interesting article by Paul Krugman of MIT talking about "Gasoline Tax Follies." I will reference part of the article.

I ask unanimous consent the article be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, March 15, 2000]

GASOLINE TAX FOLLIES

(By Paul Krugman)

Teachers of economics cherish bad policies. For example, if New York ever ends rent control, we will lose a prime example of what happens when you try to defy the law of supply and demand. And so we should always be thankful when an important politician makes a really bad policy proposal.

Last week George W. Bush graciously obliged, by advocating a reduction in gasoline taxes to offset the current spike in prices. This proposal is a perfect illustration of why we need economic analysis to figure out the true "incidence" of taxes: The people who really pay for a tax increase, or benefit from a tax cut, are often not those who ostensibly fork over the cash. In this case, cutting gasoline taxes would do little if anything to reduce the price motorists pay at the pump. It would, however, provide a windfall both to U.S. oil refiners and to the Organization of Petroleum Exporting Countries.

Let's start with why the oil cartel should love this proposal. Put yourself in the position of an OPEC minister: What sets the limits to how high you want to push oil prices?

The answer is that you are afraid that too high a price will lead people to use less gasoline, heating oil and so on, cutting into your exports. Suppose, however, that you can count on the U.S. government to reduce gasoline taxes whenever the price of crude oil rises. Then Americans are less likely to reduce their oil consumption if you conspire to drive prices up—which makes such a conspiracy a considerably more attractive proposition.

Anyway, in the short run—and what we have right now is a short-run gasoline shortage—cutting gas taxes probably won't even temporarily reduce prices at the pump. The quantity of oil available for U.S. consumption over the near future is pretty much a fixed number: the inventories on hand plus the supplies already en route from the Middle East. Even if OPEC increases its output next month, supplies are likely to be limited for a couple more months. The rising price of gasoline to consumers is in effect the market's way of rationing that limited supply of oil.

Now suppose that we were to cut gasoline taxes. If the price of gas at the pump were to fall, motorists would buy more gas. But there isn't any more gas, so the price at the pump, inclusive of the lowered tax, would quickly be bid right back up to the pre-tax-cut level. And that means that any cut in taxes would show up not in a lower price at the pump, but in a higher price paid to distributors. In other words, the benefits of the tax cut would flow not to consumers but to other parties, mainly the domestic oil refining industry. (As the taxbooks will tell you, reducing the tax rate on an inelastically supplied good benefits the sellers, not the buyers.)

A cynic might suggest that that is the point. But I'd rather think that Mr. Bush isn't deliberately trying to throw his friends in the oil industry a few extra billions; I prefer to believe that the candidate, or whichever adviser decided to make gasoline taxes an issue, was playing a political rather than a financial game.

There still remains the argument that the only good tax is a dead tax. This leads us into the whole question of whether those huge federal surplus projections are realistic (they aren't), whether the budget is loaded with fat (it isn't), and so on. But anyway, the gasoline tax is dedicated revenue, used for maintaining and improving the nation's highways. This is one case in which a tax cut would lead directly to cutbacks in a necessary and popular government service. You could say that I am making too much of a mere political gambit. Gasoline prices have increased more than 50 cents per gallon over the past year; Mr. Bush only proposes rolling back 1993's 4.3-cent tax increase.

But the gas tax proposal is nonetheless revealing. Mr. Bush numbers some of the world's leading experts on tax incidence among his advisers. I cannot believe that they think cutting gasoline taxes is a good economic policy in the face of an OPEC power play. So this suggests a certain degree of cynical political opportunism. (I'm shocked, shocked!) And it also illustrates the candidate's attachment to a sort of knee-jerk conservatism, according to which tax cuts are the answer to every problem.

As a citizen, then, I deplore this proposal. As a college lecturer, however, I am delighted.

Mr. KENNEDY. Mr. Krugman writes:

Anyway, in the short run—and what we have right now is a short-run gasoline shortage—cutting gas taxes probably won't even temporarily reduce prices at the pump. The quantity of oil available for U.S. consumption over the near future is pretty much a fixed number; the inventories on hand plus the supplies en route from the Middle East. Even if OPEC increases its output next month—

Which they did, as we heard from the announcements in the last couple of days—

supplies are likely to be limited for a couple more months. The rising price of gasoline to consumers is in effect the market's way of rationing that limited supply of oil.

Now suppose that we were to cut gasoline taxes. If the price of gas at the pump were to fall, motorists would buy more gas. But there isn't any more gas, so the price at the pump, inclusive of the lower tax, would quickly be bid right back up to the pre-tax-cut level. And that means that any cut in taxes would show up not in lower price at the pump, but in a higher price paid to distributors. In other words, the benefits of the tax cut would flow not to consumers but to the other parties, mainly the domestic oil refining industry.

There is a very substantial body of opinion that agrees with that. If we are talking about enhancements of profits of the domestic oil refining industry—and that is going to be the result of legislation—we ought to give consideration to men and women in this country making the minimum wage, trying to make ends meet, playing by the rules, working hard 40 hours a week, 52 weeks of the year trying to keep their families together.

There is a more compelling public interest for a modest increase in the minimum wage than in lowering the gas tax. If we are talking about providing some relief to the American consumers, it seems to me among the American consumers, the ones who are the most hard-pressed in our society, are those who are earning the minimum wage. If we are interested in providing such relief, we ought to at least address their particular needs.

That is what this amendment will do, and that is the reason I have filed it.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. I ask unanimous consent that I may speak for up to 10 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSPIRACIES OF CARTELS

Mr. SPECTER. Mr. President, I have sought recognition to discuss a Dear Colleague letter which Senator BIDEN and I are circulating today. I expect to have the agreement of at least two other Senators to circulate this Dear Colleague letter. It is an effort to deal with the very serious problems which have been caused by the rise in the price of oil as a result of the activities of the OPEC countries.

The price of imported crude oil rose from $10.92 per barrel, for the first quarter of 1999, to over $31 per barrel in this month. In the first quarter of last year gasoline prices were, on an average, 95 cents per gallon, and heating oil was 80 cents per gallon. A year later both have peaked at $1.70.

On Tuesday, the day before yesterday, OPEC agreed to raise oil production over the next 3 months by up to 1.7 million barrels a day. But this is far less than what is necessary to take care of the very serious problems imposed upon Americans at the gas pump, for heating oil, diesel fuel for the truckers, and our whole society beyond the United States—foreign countries, as well—as a result of these cartels and conspiracies.

This conduct is reprehensible. If it were going on in the United States, it would be a clear-cut violation of our antitrust laws.

There have been declarations at the international level. The Organization for Economic Development, consisting of some 29 countries, made a declaration in March of 1998 that conspiracies in restraint of trade constitute a violation of international law.

At about the same time, 11 countries from Latin America made a similar declaration that conspiracies of cartels to restrain trade violate international law.

After a considerable amount of research, we are writing to the President asking him to consider two courses of litigation going to court. One course of action would be to file suit under United States antitrust laws, because these conspiracies of cartels in restraint of trade have an economic impact on the United States. There is ample authority for the Government of the United States to proceed in this way.

Suits were filed by private parties in 1979 in the Central District of California. The Court of Appeals for the Ninth Circuit concluded in 1981 that it would be inappropriate for a U.S. court to pass on that subject because international law was not clearly defined at that time. But there have been significant developments in international law since that 1981 decision by the Court of Appeals for the Ninth Circuit so that, in my judgment, the opportunities would be excellent to win this case and certainly well worth the effort.

The Dear Colleague letter which we are submitting has a second aspect, and that is a recommendation to the President that legal action be instituted in the International Court of Justice, perhaps for only an advisory opinion, that OPEC countries were violating international law.

I was surprised to see the International Court of Justice take jurisdiction in a case involving the issue of the legality to use or threaten to use nuclear weapons in war. I had thought that such an issue would be what is called nonjusticiable law, that is, not subject to going to court. You talk